

Keeping Watch Over Your Credit Record

Similar to your health, your credit record has direct impact on your livelihood. Like your health, periodic checkups of your credit record are a necessity. Below is information on two aspects of your credit record, your credit report and your credit score. Information for this article was obtained from the FDIC and the FTC.

Why Should I Care About My Credit Record?

Your credit record impacts your life in several ways. You want to get a nice apartment in the Fort Lewis area? Your landlord will check your credit report to determine if you are a reliable tenant. You are leaving the military and have applied for a job with an exciting corporation? Your potential employer will check your credit record to determine if he will want to hire you. You want to settle down with your family and buy a house? Your credit record will determine whether or not you can get an affordable loan.

What Goes Into My Credit Record?

Your credit record contains four parts. Specifically:

1. Identify information, such as your address and social security number.
2. Second, public record information, such as late child-support payments and bankruptcies.
3. Third, credit history information, such as how many credit cards you own, and how faithful you were in paying off your debts.
4. Who has asked to see your credit record.

How Can I Get A Copy Of My Credit Record?

There are several credit bureaus that collect credit information. The three major ones are:

Equifax: 800-685-1111 (general) or 800-525-6285 (fraud); P.O. Box 740241, Atlanta, GA 30374; www.equifax.com

Experian: 888-397-3742 (general and fraud); PO Box 2002, Allen, TX 75013, www.experian.com.

TransUnion: 800-888-4213 (general) or 800-680-7289 (fraud); P.O. Box 2000, Chester, PA 19022; www.transunion.com.

To get a good understanding of your credit record, contact each of these credit bureaus, and pay the required fee to obtain your credit report.

What Should I Do When I Get My Credit Report?

Look over it for three things.

1. Does the report lists accounts that you do not own?
2. Does the report accurately reflect your history of paying debts?
3. Does the report lists accounts you no longer use or have forgotten?

What Should I Do If I Find Errors In My Credit Report?

Under the Fair Credit Reporting Act (FCRA), you have the right to dispute inaccuracies in your credit report. Write a letter to each of the credit-reporting agency reporting the erroneous information, which may include all three. Identify and specify each error in the report. Then include in your letter any documents you have to support your claim of error. The credit reporting agency will have 30 days to respond to your inquiry and either validate the entry or remove it.

If the credit reporting agency deletes the information, it must, at your request, notify anyone who received your report within the last 6 months of the deletion.

What Should I Do If The Credit Reporting Agency Refuses To Delete The Erroneous Information?

You have a couple of options. Under the FCRA, you have the right to have a 100- word statement added to your credit report in which you detail your side of the story. You could also contact the creditor that is providing the information you believe to be incorrect, and try to resolve the dispute from that end.

How Long Will Negative Information Stay On My Credit Report?

With a few exceptions, such as bankruptcy, negative information will stay on your credit report for 7 years.

How Often Should I Check My Credit Report?

As a rule of thumb, you might want to check your credit report once a year. However, a check of your credit report should be done for every major purchase, such as a car or house.

What Is A Credit Score?

A number calculated by the credit bureaus used by lenders to determine whether or not to give you a loan.

What Determines My Credit Score?

Two factors determine your credit score. The first factor is how good are you at paying debts on time. The second factor is how much debt do you owe.

Where Can I Get My Credit Score

You need to contact Experian, Equifax, and Transunion, and ask for a copy.

What Can I Do To Keep My Credit Score Low?

There are number of things you can do, such as getting rid of unnecessary credit cards. Each card you own represents a sum of money that you could borrow. Thus if you have 6 cards with \$10,000 limits, you could possibly owe \$60,000 at one time. If your salary is \$40,000, a bank may not look too keenly on extending you credit.

Other things you can do to increase your credit score include paying your bills on time, keeping your debt levels low, keeping enough funds in your account so your checks do not bounce, and using your full name for your bank accounts, credit applications and other credit related documents. By using your full name, you can avoid becoming an identity theft victim, and preserve your credit score.

The above information is not intended to cover all aspects of credit reports or credit scores. It is intended, however, to get you to think seriously about maintaining a close eye over your credit record and periodically checking up on it. Do this can help save you much pain later down the road. For more information on credit reports and credit records, go to www.ftc.gov, or www.fdic.gov, or contact your local legal assistance office.